

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HARRISONBURG, VIRGINIA REGARDING THE APPROVAL OF ISSUANCE OF BONDS BY THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF HARRISONBURG, VIRGINIA FOR THE BENEFIT OF EASTERN MENNONITE UNIVERSITY

WHEREAS, the Economic Development Authority of the City of Harrisonburg, Virginia (the "Authority") is empowered by the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2 of the Code of Virginia of 1950, as amended (the "Act") issue its revenue bonds to finance facilities for the Commonwealth of Virginia (the "Commonwealth") and its agencies, and governmental and nonprofit organizations to promote the health, welfare, convenience or prosperity of the Commonwealth's inhabitants, that are exempt from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), thereby promoting the safety, health, welfare, convenience, and prosperity of the residents of the Commonwealth;

WHEREAS, the Authority has approved the application of Eastern Mennonite University, a Virginia nonstock corporation (the "Organization"), whose primary business address is 1200 Park Road, Harrisonburg, Virginia 22802, requesting that the Authority issue up to \$30,000,000 of its revenue bonds in one or more tax-exempt or taxable series at one time or from time to time (the "Bonds");

WHEREAS, the Authority will loan the proceeds of the Bonds to the Organization to finance and refinance all or a portion of the costs associated with the projects described below:

(1) the financing of certain capital improvements at the Organization's main campus, which consists of approximately 97 total acres with a street address of 1200 Park Road, Harrisonburg, Virginia 22802 (the "Main Campus"), including but not limited to, (a) renovating, replacing and installing new HVAC, roofs, plumbing, electrical, (b) expansion, renovation and equipping of dining facilities, (c) expansion, renovation, and equipping of various academic buildings, dormitories and athletic facilities and (d) construction, installation and equipping of a new approximately 6,000 square foot academic building (the "New Money Projects");

(2) the refinancing of certain indebtedness incurred for the acquisition, improvement, installation and equipping of certain capital improvements at the Main Campus, including renovations to the University Commons building, track and field and athletic facility improvements;

(3) the refunding of the outstanding principal amount of the Industrial Development Authority of the Town of Broadway, Virginia Educational Facilities Revenue Bond (Eastern Mennonite University), Series 2008 (Bank Qualified) (the "Series 2008 Bond"), that originally financed (a) the demolishing of Oakwood Hall and acquisition, construction and equipping of a new residence hall on the Main Campus to replace Oakwood Hall, (b) the renovation, construction, reconstruction, expansion and equipping of existing residence halls, including Elmwood Hall, Maplewood Hall, and Parkwood Apartments, (c) the refunding in full of those certain \$6,870,000 Industrial Development Authority of the Town of Bridgewater, Virginia, Higher Education Facilities Revenue Refunding Bonds (Eastern Mennonite University), Series 1998 (Bank Qualified), (d) the refunding in full of existing obligations of the Organization on the purchase

money loans that financed the acquisition of the President's residence, and (e) the costs of issuance and other costs incident to the issuance of the Series 2008 Bond;

(4) the refunding of the outstanding principal amount of the Industrial Development Authority of the Town of Broadway, Virginia Educational Facilities Revenue Bond (Eastern Mennonite University), Series 2010 (Bank Qualified) (the "Series 2010 Bond"), that originally financed (a) the renovation, construction, reconstruction, expansion and equipping of existing residence halls at the Main Campus, including Elmwood and Maplewood Halls, and (b) the costs of issuance and other costs incident to the issuance of the Series 2010 Bond;

(5) the refunding of the outstanding principal amount of the Virginia Small Business Financing Authority Taxable Qualified Energy Conservation Bond (Direct Pay) (Virginia SAVES Green Community Program – Eastern Mennonite University Project), Series 2016 (the "Series 2016 Bond"), that originally financed (a) the acquisition, development, construction, installation and equipping of energy efficiency improvements and related infrastructure at various facilities on the Main Campus and (b) the costs of issuance and other costs incident to the issuance of the Series 2016 Bond; and

(6) the financing of amounts required for reserves, costs of issuance, capitalized interest, working capital and other financing expenses related to the issuance of the Bonds (collectively (1) through (6), the "Plan of Finance");

WHEREAS, following notice given as required by Section 147(f) of the Code and Section 15.2-4906 of the Act, the Authority held a public hearing on June 10, 2025, regarding the Plan of Finance and issuance of the Bonds as required by Section 147(f) of the Code and Section 15.2-4906 of the Act;

WHEREAS, Section 147(f) of the Code provides that the governmental unit having jurisdiction over the issuer of private activity bonds and over the area in which any facility financed with the proceeds of private activity bonds is located must approve the issuance of the bonds and Section 15.2-4906 of the Act sets forth the procedure for such approval;

WHEREAS, the Authority issues its bonds on behalf of the City of Harrisonburg, Virginia (the "City"), and the facilities to be financed and refinanced with the proceeds of the Bonds are located in the City and the City Council of the City (the "City Council"), constitutes the highest elected governmental unit of the City;

WHEREAS, in accordance with Section 15.2-4906 of the Act, the Authority has recommended that the City Council approve the Plan of Finance and the issuance of the Bonds, solely to the extent required by Section 147(f) of the Code and Section 15.2-4906 of the Act; and

WHEREAS, a copy of the Authority's inducement resolution approving the issuance of the Bonds, subject to the terms to be agreed upon, and a certificate of the public hearing have been filed with the City Council.

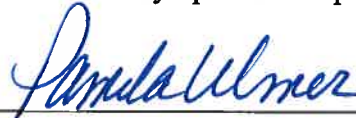
NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HARRISONBURG, VIRGINIA AS FOLLOWS:

1. Subject to paragraph (2) below, the City Council hereby approves the issuance of the Bonds, in one or more tax-exempt or taxable series from time to time, in an aggregate principal amount up to \$30,000,000, by the Authority for the benefit of the Organization, solely to the extent required by Section 147(f) of the Code and Section 15.2-4906 of the Act, to permit the Authority to assist in accomplishing the Plan of Finance.

2. The approval of the issuance of the Bonds by the City Council does not constitute an endorsement to a prospective purchaser of the Bonds of the creditworthiness of the Plan of Finance or the Organization, the economic viability of the facilities to be financed or refinanced as part of the Plan of Finance, or any other matters relating to the Bonds, the facilities to be financed or refinanced with the proceeds of the Bonds, or the Plan of Finance. The Bonds shall not constitute a debt, liability or obligation of the City. In accordance with the Act, the Bonds shall not be deemed to constitute a debt or a pledge of the faith and credit or taxing power of the Commonwealth or any political subdivision thereof, including the Authority and the City. The Bonds shall provide that neither the Commonwealth, nor any political subdivision thereof, including the City and the Authority, shall be obligated to pay the principal of or interest on the Bonds or other costs incident thereto except from the revenues and moneys pledged therefor by the Organization.

3. This resolution shall take effect immediately upon its adoption.

[SEAL]



Clerk, City Council, City of Harrisonburg, Virginia

